BUDGET RESOLUTION/Cutting Tax Expenditures for Tax Cuts

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1996-2002 . . . S. Con. Res. 13. Domenici motion to table the Exon (for Bradley) amendment No. 1194.

ACTION: MOTION TO TABLE AGREED TO, 53-47

SYNOPSIS: As reported, S. Con. Res. 13, the fiscal year 1996 Concurrent Budget Resolution, will reduce projected spending over 7 years to balance the budget by fiscal year (FY) 2002 without increasing taxes. Savings that will accrue from lower debt service payments (an estimated \$170 billion) will be dedicated to a reserve fund, which may be used for tax reductions after enactment of laws to ensure a balanced budget. Highlights include the following: the rate of growth in Medicare will be slowed to 7.1 percent; Medicaid's rate of growth will be slowed to 5 percent and it will be transformed into a block grant program; the Commerce Department and more than 100 other Federal programs, agencies, and commissions will be eliminated; welfare and housing programs will be reformed; agriculture, energy, and transportation subsidies will be cut; foreign aid will be cut; defense spending will be cut and then allowed to increase back to its 1995 level; and Social Security will not be altered.

The Exon (for Bradley) amendment would express the sense of the Senate that the Congress should, to the maximum extent practicable, remove tax loopholes, and that it should use the savings from the closing of special interest tax loopholes to reduce tax rates broadly for all classes of taxpayers.

The amendment was offered after all debate time had expired. However, some statements on amendments were added to the record or were made before the amendments were offered and before debate time had expired. Also, by unanimous consent, 1 minute of time was allowed on each amendment for explanatory statements before each vote. Senator Domenici moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

(See other side)

YEAS (53) NAYS (47) NOT VOTING (0)							
Republicans Democrats (44 or 81%) (9 or 20%)		Republicans (10 or 19%)	Democrats (37 or 80%)		Republicans Democrats (0) (0)		
Abraham Ashcroft Bennett Bond Brown Burns Campbell Chafee Coats Cochran Coverdell Craig D'Amato Domenici Faircloth Frist Gorton Gramm Grams Gregg Hatch	Helms Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McConnell Murkowski Packwood Pressler Roth Santorum Shelby Simpson Smith Stevens Thomas Thompson Thurmond Warner	Baucus Bryan Dodd Graham Heflin Hollings Mikulski Pryor Sarbanes	Cohen DeWine Dole Grassley Hutchison Kassebaum McCain Nickles Snowe Specter	Akaka Biden Bingaman Boxer Bradley Breaux Bumpers Byrd Conrad Daschle Dorgan Exon Feingold Feinstein Ford Glenn Harkin Inouye	Johnston Kennedy Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Moseley-Braun Moynihan Murray Nunn Pell Reid Robb Rockefeller Simon Wellstone	EXPLANAT 1—Official 1 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent inced Yea inced Nay Yea

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The amendment sounds like a fine idea until one finds that to reduce tax rates just 1 percent tax expenditures would have to be reduced by \$100 billion. In 1996, tax expenditures will total \$480 billion. Most of those expenditures are for items that most Members favor. The exclusion for employer contributions for medical care plans, the exclusion for employer contributions to pension plans, the home mortgage interest deduction, the deductibility of State and local taxes, and the deduction for charitable contributions alone comprise approximately 50 percent of all tax expenditures. Our colleagues like to perpetuate the myth that numerous, huge tax expenditures that benefit narrow classes of people and businesses exist, but the truth is that almost all tax expenditures benefit average, working Americans. We favor reductions in tax rates, but we are not certain that sufficient savings can be found by eliminating tax reductions, the bulk of which are very popular with the American people and Members. Accordingly, we must vote to table the Bradley amendment.

Those opposing the motion to table contended:

We think Congress should remove tax loopholes and use the savings to reduce tax rates for individual taxpayers. While it is true that many tax expenditures have broad public and congressional support, it is also true that many others do not. We favor simplifying and increasing the fairness of the tax code by eliminating such loopholes, as long as the savings are given back to the American people in the form of tax reductions instead of spent.